

Duty Death Benefits

Preliminary Report

LEOFF Plan 2 Retirement Board

October 27, 2010

Issue Description

- The Surviving spouses of a member killed in course of employment who are receiving Workers' Compensation death benefits cannot continue to receive the monthly benefit after remarriage.

Policy Approaches

1. Modified Eligibility

- Domestic Partnership

2. Coordinated Benefit

- Benefit Transfer
- Benefit Transfer with 100% Cap
- 60% Pension with Workers' Comp Offset

Option 1 – Domestic Partnership

- Allow survivor to register on State Domestic Partnership registry
- Continue to receive Workers' Compensation benefits
- Allows surviving spouse to receive domestic partner benefits

Option 1 – Domestic Partnership

- Health care facility visitation rights
- Ability to grant informed consent for health care for a patient who is not competent
- Inheritance rights when the domestic partner dies without a will
- Property of domestic partners are subject to community property laws
- A domestic partner is a "family or household member" for purposes of the domestic violence laws

Option 2A - Benefit Transfer

- Establish a coordinated L2 duty death pension benefit with Workers' Compensation Survivor Pension
 - LNI Pays survivor benefit until remarriage
 - LEOFF Plan 2 pays for equivalent monthly survivor benefit starting after remarriage

Option 2A - Benefit Transfer

■ Benefit Before Remarriage

Pension	\$3,000
<u>L&I</u>	<u>3,900</u>
TOTAL	\$6,900

YOS: 25

FAS: \$6000

$$\bullet 2\% \times 25 \times \$6000 = \$3000$$

■ Benefit After Remarriage

Pension	\$6,900
<u>L&I</u>	<u>0</u>
TOTAL	\$6,900

LNI Wage: \$6500

$$\bullet \$6500 \times 60\% = \$3900$$

Option 2B - Benefit Transfer/100% Cap

- Establish a coordinated L2 duty death pension benefit with Workers' Compensation Survivor Pension
 - LNI pays full survivor benefit up to remarriage
 - LEOFF Plan 2 pays benefit increased up to 100% starting after remarriage

Option 2B - Benefit Transfer/100% Cap

■ Benefit Before Remarriage

Pension	\$3,000
<u>L&I</u>	<u>\$3,900</u>
TOTAL	\$6,900

YOS: 25

FAS: \$6000

• $2\% \times 25 \times \$6000 = \3000

• $100\% \times \$6000 = \6000

■ Benefit After Remarriage

Pension	\$6,000
<u>L&I</u>	<u>\$ 0</u>
TOTAL	\$6,000

LNI Wage: \$6500

• $\$6500 \times 60\% = \3900

Option 2B - Benefit Transfer/100% Cap

■ Benefit Before Remarriage

Pension	\$ 500
<u>L&I</u>	<u>\$3,300</u>
TOTAL	\$3,800

YOS: 5

FAS: \$5000

• $2\% \times 5 \times \$5000 = \500

• $100\% \times \$5000 = \5000

■ Benefit After Remarriage

Pension	\$3,800
<u>L&I</u>	<u>\$ 0</u>
TOTAL	\$3,800

LNI Wage: \$5500

• $\$5500 \times 60\% = \3300

Option 2C – 60% Benefit & Offset

- Establish a coordinated L2 duty death pension benefit with Workers' Compensation Survivor Pension
 - LNI pays full survivor benefit up to remarriage
 - LEOFF Plan 2 benefit increased to 60%
 - LNI benefit reduced by difference between original L2 benefit amount and 60% benefit after remarriage

Option 2C – 60% Benefit & Offset

■ Benefit Before Remarriage

Pension	\$3,000
<u>L&I</u>	<u>\$3,900</u>
TOTAL	\$6,900

YOS: 25

FAS: \$6000

• $2\% \times 25 \times \$6000 = \3000

• $60\% \times \$6000 = \3600

• $\$3600 - \$3000 = \$600$

■ Benefit After Remarriage

Pension	\$3,600
<u>L&I</u>	<u>\$3,300</u>
TOTAL	\$6,900

LNI Wage: \$6500

• $\$6500 \times 60\% = \3900

• $\$3900 - \$600 = \$3300$

Prohibition on Remarriage

Questions?